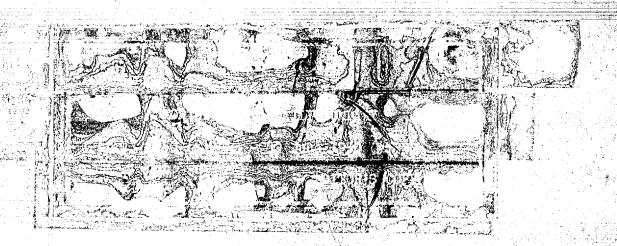
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KOREA

1. Government reported to be near panic -- US Ambassador Muccio reports from the Southern Korean Government's provisional capital at Taejon that the situation in South Korea is rapidly deteriorating. Muccio expressed the opinion, after prolonged consultation with top Korean leaders, that he could "hold them in line a little longer" but that there was danger they might soon panic. Muccio strongly urges an all-out US effort before the "desperate" situation gets "out of hand."

EUROPE

2. West Germans favorable toward Schuman Plan draft—US
High Commissioner McCloy in Frankfurt has learned from
a high official of the Federal Republic that the Germans
were impressed with the presentation of the Schuman Plan
made recently by French Economic Adviser Monnet and that
the fundamentals of the Plan are acceptable to the Germans.
The West German official said that despite indications of
trouble with the Dutch and the possibility that Benelux would
not go along with the Plan, the Germans were prepared to go
ahead with the French and Italians if necessary. McCloy
comments that Chancellor Adenauer is throwing all his
authority behind the Plan, telling the industrialists that it
has such tremendous political significance that they must
conform.

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